



General Assembly

January Session, 2019

Raised Bill No. 7239

LCO No. 4898



Referred to Committee on LABOR AND PUBLIC EMPLOYEES

Introduced by:
(LAB)

AN ACT CONCERNING THE UNEMPLOYMENT INSURANCE FUND.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (b) of section 31-222 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2019*):

4 (b) (1) "Total wages" means all remuneration for employment and
5 dismissal payments, including the cash value of all remuneration paid
6 in any medium other than cash except the cash value of any
7 remuneration paid for agricultural labor or domestic service in any
8 medium other than cash.

9 (2) "Taxable wages" means total wages except:

10 (A) That part of the remuneration (i) in excess of seven thousand
11 one hundred dollars paid by an employer to an individual during any
12 calendar year commencing on or after January 1, 1983, (ii) in excess of
13 nine thousand dollars paid by an employer to an individual during the
14 calendar year commencing on January 1, 1994, (iii) in excess of an

15 amount equal to the taxable wages for the prior year increased by one
16 thousand dollars so paid during any calendar year commencing on or
17 after January 1, 1995, but prior to January 1, 1999, [or] (iv) in excess of
18 fifteen thousand dollars for any calendar year commencing on or after
19 January 1, 1999. This subsection shall not apply to wages paid in whole
20 or in part from federal funds after January 1, 1976, to employees of
21 towns, cities and other political and governmental subdivisions and
22 shall not operate to reduce an individual's benefit rights.
23 Remuneration paid to an individual by an employer with respect to
24 employment in another state or states upon which contributions were
25 required of and paid by such employer under an unemployment
26 compensation law of such other state or states shall be included as a
27 part of remuneration equal to the maximum limitation herein referred
28 to, or (v) in excess of seventeen thousand five hundred dollars paid by
29 an employer to an individual during any calendar year commencing
30 on or after January 1, 2020, except that on January 1, 2021, and not later
31 than each January first thereafter, an adjustment to said amount shall
32 be made that is equal to the percentage increase between the last-
33 completed calendar year and the preceding calendar year in the
34 consumer price index for urban wage earners and clerical workers in
35 the northeast urban area of New York-Northern New Jersey-Long
36 Island, NY-NJ-CT-PA, with no seasonal adjustment, as calculated by
37 the United States Department of Labor's Bureau of Labor Statistics;

38 (B) Dismissal payments which the employer who is not subject to
39 the Federal Unemployment Tax Act is not legally required to make;

40 (C) Payments which the employer is not legally required to make to
41 employees on leave of absence for military training;

42 (D) The payment by an employer, without deduction from the
43 remuneration of the employee, of the tax imposed upon an employee
44 under Section 3101 of the Federal Internal Revenue Code with respect
45 to remuneration paid to the employee for domestic service in a private
46 home of the employer or for agricultural labor;

47 (E) The amount of any payment excluded from "wages", as defined
48 in Section 3306(b) of the Federal Unemployment Tax Act, that is made
49 to, or on behalf of, an employee under a plan or system established by
50 an employer which makes provision for his employees generally or for
51 a class or classes of his employees, including any amount paid by an
52 employer for insurance or annuities, or into a fund, to provide for any
53 such payment, on account of (i) retirement, or (ii) sickness or accident
54 disability, or (iii) medical and hospitalization expenses in connection
55 with sickness or accident disability, or (iv) death. Whenever tips or
56 gratuities are paid directly to an employee by a customer of an
57 employer, the amount thereof which is accounted for by the employee
58 to the employer shall be considered wages for the purposes of this
59 chapter;

60 (F) If an employer has acquired all or substantially all the assets,
61 organization, trade or business of another employer liable for
62 contributions under this chapter and has assumed liability for unpaid
63 contributions, if any, due from such other employer, remuneration
64 paid by both employers shall be deemed paid by a single employer for
65 the purposes of this chapter;

66 (G) Payment to an employee by a stock corporation, partnership,
67 association or other business entity in which fifty per cent or more of
68 the proprietary interest is owned by such employee or his son,
69 daughter, spouse, father or mother or any combination of such
70 persons, unless the tax imposed by the Federal Unemployment Tax
71 Act is payable with respect to such payment;

72 (H) Any remuneration paid by any town, city or other political
73 subdivision to an individual for service performed in lieu of payment
74 of delinquent taxes.

75 (3) Notwithstanding any other provisions of this subsection, wages
76 shall include all remuneration for services with respect to which a tax
77 is required to be paid under any federal law imposing a tax against
78 which credit may be taken for contributions required to be paid into a

79 state unemployment fund or which as a condition for full tax credit
80 against the tax imposed by the Federal Unemployment Tax Act are
81 required to be included under this chapter.

82 Sec. 2. Section 31-231a of the general statutes is repealed and the
83 following is substituted in lieu thereof (*Effective October 1, 2019*):

84 (a) For a construction worker identified pursuant to regulations
85 adopted in accordance with subsection (c) of this section, the total
86 unemployment benefit rate for the individual's benefit year
87 commencing (1) on or after April 1, 1996, shall be an amount equal to
88 one twenty-sixth, rounded to the next lower dollar, of his total wages
89 paid during that quarter of his current benefit year's base period in
90 which wages were the highest but not less than fifteen dollars nor
91 more than the maximum benefit rate as provided in subsection (b) of
92 this section, and (2) on or after the first Sunday in October, 2019, shall
93 be an amount equal to one twenty-sixth, rounded to the next lower
94 dollar, of his total wages paid during that quarter of his current benefit
95 year's base period in which wages were the highest but not less than
96 forty dollars nor more than the maximum benefit rate as provided in
97 subsection (b) of this section.

98 (b) For an individual not included in subsection (a) of this section,
99 the individual's total unemployment benefit rate for his benefit year
100 commencing after September 30, 1967, shall be an amount equal to one
101 twenty-sixth, rounded to the next lower dollar, of the average of his
102 total wages, as defined in subdivision (1) of subsection (b) of section
103 31-222, as amended by this act, paid during the two quarters of his
104 current benefit year's base period in which such wages were highest
105 but not less than (1) fifteen dollars nor more than one hundred fifty-six
106 dollars in any benefit year commencing on or after the first Sunday in
107 July, 1982, nor more than [(1)] (A) sixty per cent rounded to the next
108 lower dollar of the average wage of production and related workers in
109 the state in any benefit year commencing on or after the first Sunday in
110 October, 1983, and [(2)] (B) fifty per cent rounded to the next lower
111 dollar of the average wage of all workers in the state in any benefit

112 year commencing on or after the first Sunday in October, 2018, and (2)
113 forty dollars nor more than fifty per cent rounded to the next lower
114 dollar of the average wage of all workers in the state in any benefit
115 year commencing on or after the first Sunday in October, 2019, and
116 provided the maximum benefit rate in any benefit year commencing
117 on or after the first Sunday in October, 1988, shall not increase more
118 than eighteen dollars in any benefit year, such increase to be effective
119 as of the first Sunday in October of such year, and provided further the
120 maximum benefit rate shall not increase in any benefit year
121 commencing on or after the first Sunday in October, 2019, and before
122 the first Sunday in October, 2022. The average wage of all workers in
123 the state shall be determined by (A) the administrator, on or before
124 August fifteenth annually, as of the year ended the previous March
125 thirty-first to be effective during the benefit year commencing on or
126 after the first Sunday of the following October, and (B) the Connecticut
127 Quarterly Census of Employment and Wages or by such other method,
128 as determined by the administrator, that accurately reflects the average
129 wage of all workers in the state.

130 (c) The administrator shall adopt regulations pursuant to the
131 provisions of chapter 54 to implement the provisions of this section.
132 Such regulations shall specify the National Council on Compensation
133 Insurance employee classification codes which identify construction
134 workers covered by subsection (a) of this section and specify the
135 manner and format in which employers shall report the identification
136 of such workers to the administrator.

137 Sec. 3. Subdivision (4) of subsection (a) of section 31-236 of the
138 general statutes is repealed and the following is substituted in lieu
139 thereof (*Effective October 1, 2019*):

140 (4) During any week with respect to which the individual has
141 received or is about to receive remuneration in the form of (A) wages
142 in lieu of notice or dismissal payments, including severance or
143 separation payment by an employer to an employee beyond the
144 employee's wages upon termination of the employment relationship,

145 [unless the employee was required to waive or forfeit a right or claim
146 independently established by statute or common law, against the
147 employer as a condition of receiving the payment,] or any payment by
148 way of compensation for loss of wages, or any other state or federal
149 unemployment benefits, except mustering out pay, terminal leave pay
150 or any allowance or compensation granted by the United States under
151 an Act of Congress to an ex-serviceperson in recognition of the ex-
152 serviceperson's former military service, or any service-connected pay
153 or compensation earned by an ex-serviceperson paid before or after
154 separation or discharge from active military service, or (B)
155 compensation for temporary disability under any workers'
156 compensation law;

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2019</i>	31-222(b)
Sec. 2	<i>October 1, 2019</i>	31-231a
Sec. 3	<i>October 1, 2019</i>	31-236(a)(4)

Statement of Purpose:

To implement the recommendations of the Employment Security Advisory Board regarding unemployment insurance.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]